

Message Text

CONFIDENTIAL

PAGE 01 MANILA 07007 131132Z

17

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 L-03 AGR-20 SP-03 AID-20 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 H-03 SSO-00 NSCE-00 INRE-00 DRC-01 /152 W
----- 010289

O R 131053Z JUN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 4303

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L MANILA 7007

E.O. 11652: GDS

TAGS: ETRD, EAGR, RP

SUBJECT: GOP ESTABLISHES SINGLE SELLING AGENCY FOR SUGAR

REF: (A) STATE 124978; (B) MANILA 5951

1. GOP INFORMED SUGAR INDUSTRY JUNE 11 THAT, EFFECTIVE IMMEDIATELY, PHILIPPINE NATIONAL BANK (PNB) WILL SERVE AS SINGLE SELLING AGENCY FOR PHILIPPINE SUGAR EXPORTS. MOVE APPEARS TO ELIMINATE PHILIPPINE SUGAR TRADERS FROM EXPORT PICTURE AND MEANS THAT BROKERS WILL NOW DEAL DIRECTLY WITH PNB. SYSTEM APPLIES TO ALL NEW COMMITMENTS, I.E. THOSE NOT ALREADY REGISTERED WITH CENTRAL BANK.

2. UNDER NEW SYSTEM, PNB WILL PAY MILLERS FIXED PRICE WHICH WILL BE LOWER THAN PRICES IN U.S. OR WORLD MARKETS. INDUSTRY SOURCES REPORT THAT CURRENT PNB BUYING PRICE WILL BE 160 PESOS PER PICUL WHILE U.S PRICE IS IN RANGE OF 190 PESOS PER PICUL. PROFIT APPARENTLY WILL ACCRUE TO ACCOUNT OF PNB AND, ACCORDING TO ONE SOURCE, MAY BE USED TO FINANCE GOP DEVELOPMENT AND/OR MILITARY PROGRAMS.

3. BROKERS FORESEE LITTLE IF ANY DISRUPTION IN SUGAR EXPORTS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 07007 131132Z

REPRESENTATIVE LARGEST BROKERAGE FIRM OF OPINION THAT GOP

STILL FIRM IN INTENTIONS TO MEET TOTAL COMMITMENT TO U.S. MARKET.

4. NEW SYSTEM OBVIOUSLY GIVES GOVERNMENT MORE DIRECT CONTROL OVER SUGAR EXPORTS AND WILL PERMIT GOP TO PARTICIPATE MORE READILY IN PRICEEDS FROM SUGAR SALES. WHILE MILLERS AND PLANTERS NOT OVERLY HAPPY, NONE ARE LIKELY TO GO BROKE AT CURRENT PNB PRICES OR, IN MOST CASES, AT EVEN LOWER PRICES.

5. COMMENT: RUMOR MARKET CREDITS PHILIPPINE AMBASSADOR TO JAPAN BENEDICTO WITH BEING THE BRAINS BEHIND THE NEW PROGRAM. WHILE HIS MOTIVATION NOT ENTIRELY CLEAR, THREE POSSIBLE REASONS HAVE BEEN PUT FORWARD: (A) ELIMINATE THE SUGAR TRADERS, A GROUP OF CHINESE-FILIPINOS REPORTEDLY DETESTED BY BOTH PRESIDENT MARCOS AND BENEDICTO; (B) FURTHER REDUCE THE OVERALL POWER AND INFLUENCE OF THE SUGAR PLANTERS AND MILLERS, A GOAL KNOWN TO BE CLOSE TO THE HEART OF THE PRESIDENT; AND (C) SUPPLEMENT THE INCOME OF THE PNB SO THAT IT CAN MEET PRESSURE FROM THE JAPANESE TO PAY FOR SUGAR MILLS PREVIOUSLY SUPPLIED THE PHILIPPINES. ELEMENT OF TRUTH EXISTS IN EACH OF THESE REASONS AND CURRENT SITUATION MAY BE A CASE OF KILLING THREE BIRDS WITH ONE STONE, AD WELL AS PAVING WAY FOR PURCHASE OF ADDITIONAL JAPANESE MILLS.

6. WITH REGARD APPLYING SINGLE SELLING AGENCY CONCEPT TO OTHER PRODUCTS, SEVERAL SOURCES QUOTE SECRETARY OFTRADE QUIAZON AS STATING THAT SYSTEM WILL EVENUTALLY BE EXTENDED TO COCONUT PRODUCTS, LOGS AND MINERALS. WE HAVE BEEN UNABLE CONFIRM THIS WITH QUIAZON BUT WILL DO SO AT EARLIEST OPPORTUNITY.
SULLIVAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, EXPORTS, ECONOMIC CONDITIONS, SUGAR ACT, NEGOTIATIONS, PRICES, FOREIGN COMMITMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA07007
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740153-0138
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740649/aaaabpmu.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) STATE 124978; (B) MANILA 5951
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUL 2002 by shawdg>; APPROVED <20 FEB 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOP ESTABLISHES SINGLE SELLING AGENCY FOR SUGAR
TAGS: ETRD, EAGR, RP, US, PNB, PHILIPPINE NATIONAL BANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005